

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2016

1. General information

1.1 Corporate information

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 30 December 2015 and domiciled in Thailand. The Stock Exchange of Thailand had approved the listing shares of the Company which were traded on the Stock Exchange of Thailand commencing from 5 January 2016. The Company’s major shareholder is CH. Karnchang Public Company Limited, which was incorporated in Thailand. Its registered address is 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015, with no changes in shareholding structure of subsidiaries during the period.

The Company presented consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the three-month period ended 31 March 2015 to reflect the operating results, and cash flows of the group of companies under common control on the basis of economic substance, even though the legal form of the Company was established on 30 December 2015.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the period ended 31 December 2015.

3. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

The relationship between the Company and its subsidiaries and the related parties which the Company and its subsidiaries has transaction with during the three-month period ended 31 March 2016 and 2015 summarised below.

Name of related parties	Relationship with the Company
CH. Karnchang Public Company Limited	Major shareholders
Northern Bangkok Expressway Company Limited	Subsidiary company
Bangkok Metro Networks Limited	Subsidiary company
CK Power Public Company Limited	Associated company
TTW Public Company Limited	Associated company
Mass Rapid Transit Authority of Thailand (MRTA)	Shareholders
Krungthai Bank Public Company Limited	the Company's director has authority in bank
Bangkok Bank Public Company Limited	the Company's director has authority in bank
Xayaburi Power Company Limited	Common directors
Finansa Securities Company Limited	Common directors

(Unaudited but reviewed)

Such significant transactions and pricing policy are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 31 March			Pricing policy
	Consolidated		Separate	
	financial statements		financial statement	
	2016	2015	2016	
<u>Transactions with major shareholders</u>				
Interest income	11	-	11	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	38	9	32	Contract price
Cost incurred from expressway construction contracts	1,733	2,160	1,733	Contract price
Cash receipt for the MRT Purple Line Project	27	19	27	Contract price
Office rental and service	2	2	-	Contract price
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Commercial development revenue				
Bangkok Metro Networks Limited	-	-	65	Contract rate
Interest income on long-term loans				
Northern Bangkok Expressway Company Limited	-	-	49	At the rate of 3.48% per annum
Management income				
Northern Bangkok Expressway Company Limited	-	-	30	Baht 10 million per month
<u>Transactions with related companies</u>				
Commercial development revenue				
Krungthai Bank Public Company Limited	1	1	1	Contract price
Bangkok Bank Public Company Limited	1	1	1	Contract price
Total	2	2	2	
Costs of fare box (Inclusive of VAT)				
Mass Rapid Transit Authority of Thailand	105	98	105	Concession agreement
Costs of commercial development				
Mass Rapid Transit Authority of Thailand	16	16	16	Concession agreement
Property tax				
Mass Rapid Transit Authority of Thailand	1	-	1	At the rates charged by Bangkok Metropolitan Administration
Financial arrangement fee				
Krungthai Bank Public Company Limited	4	5	3	Contract rate
Financial fee				
Krungthai Bank Public Company Limited	2	2	2	Contract rate
Bangkok Bank Public Company Limited	1	1	1	Contract rate
Total	3	3	3	

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March			Pricing policy
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	
<u>Transactions with related companies (continued)</u>				
Interest expenses on short-term loans from financial institution				
Krungthai Bank Public Company Limited	<u>102</u>	<u>-</u>	<u>102</u>	At the rates of 3.55% and MOR per annum
Interest expenses on long-term loans from financial institutions				
Krungthai Bank Public Company Limited	75	78	73	
Bangkok Bank Public Company Limited	<u>30</u>	<u>14</u>	<u>30</u>	
Total	<u>105</u>	<u>92</u>	<u>103</u>	At the rates of 4.00%, 4.75%, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum (2015: 4.00%, MLR + 0.25, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum)
Payments for additional shares subscription				
Xayaburi Power Company Limited	<u>73</u>	<u>51</u>	<u>73</u>	71.25 million shares of Baht 1.03 each (2015: 71.25 million shares of Baht 0.71 each)

(Unaudited but reviewed)

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and its subsidiaries and related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Cash and cash equivalents</u>				
Krungthai Bank Public Company Limited	108,874	268,029	85,228	247,258
Bangkok Bank Public Company Limited	32	32	32	32
Total	108,906	268,061	85,260	247,290
<u>Trade and other receivables (Note 6)</u>				
CH. Karnchang Public Company Limited	19,260	17,120	19,260	17,120
Northern Bangkok Expressway Company Limited	-	-	10,700	10,700
Bangkok Metro Networks Limited	-	-	73,960	52,172
Krungthai Bank Public Company Limited	373	-	373	-
Total	19,633	17,120	104,293	79,992
<u>Receivable from sales of investment</u>				
CH. Karnchang Public Company Limited	1,069,742	1,369,741	1,069,742	1,369,741
Less: Deferred interest income	(37,781)	(48,892)	(37,781)	(48,892)
Total	1,031,961	1,320,849	1,031,961	1,320,849
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	3,043	5,312	1,363	3,007
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	2,815	3,746	-	-
<u>Long-term loans to and interest receivable from related party</u>				
Northern Bangkok Expressway Company Limited	-	-	6,664,496	6,854,496
<u>Advance payment under construction contract</u>				
CH. Karnchang Public Company Limited	225,000	398,250	225,000	398,250
<u>Short term loans from financial institution (only principal) (Note 16)</u>				
Krungthai Bank Public Company Limited	18,410,000	18,410,000	18,400,000	18,400,000
<u>Trade and other payables (Note 17)</u>				
CH. Karnchang Public Company Limited	1,125,954	1,958,150	1,123,500	1,957,506
Mass Rapid Transit Authority of Thailand	95,506	103,204	95,506	103,204
Finansa Securities Company Limited	-	20,350	-	20,350
Krungthai Bank Public Company Limited	2,171	4,059	2,144	4,059
Bangkok Bank Public Company Limited	286	571	286	571
Others	792	938	-	-
Total	1,224,709	2,087,272	1,221,436	2,085,690

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)
<u>Long-term loans from financial institutions</u>				
<u>(only principal) (Note 18)</u>				
Krungthai Bank Public Company Limited	7,241,000	7,173,319	7,094,814	7,016,633
Bangkok Bank Public Company Limited	2,945,855	2,945,855	2,945,855	2,945,855
Total	<u>10,186,855</u>	<u>10,119,174</u>	<u>10,040,669</u>	<u>9,962,488</u>
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	<u>78,074</u>	<u>152,988</u>	<u>77,863</u>	<u>152,988</u>
<u>Unearned revenue from advertising management rights</u>				
Bangkok Metro Networks Limited				
Current portion (Note 17, 20)	-	-	1,248	1,248
Long-term portion (Note 20)	-	-	15,298	15,611
Total	<u>-</u>	<u>-</u>	<u>16,546</u>	<u>16,859</u>

During the current period, movements in long-term loans to and interest receivable from related party in the separate financial statement were as follow:

(Unit: Thousand Baht)

	1 January 2016	Increase during the period	Decrease during the period	31 March 2016
Northern Bangkok Expressway Company Limited				
Long-term loans	5,673,827	-	(157,282)	5,516,545
Interest receivable	1,180,669	48,577	(81,295)	1,147,951
Total	<u>6,854,496</u>	<u>48,577</u>	<u>(238,577)</u>	<u>6,664,496</u>

During the current period, movements in short term loans from financial institution (only principal) were as follow:

(Unit: Thousand Baht)

	Consolidated financial statement		
	1 January 2016	Increase during the period	Decrease during the period
Short-term loans			
Krungthai Bank Public Company Limited	<u>18,410,000</u>	<u>-</u>	<u>-</u>
			<u>18,410,000</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statement			
		Increase	Decrease	
Short-term loans	1 January 2016	during the period	during the period	31 March 2016
Krungthai Bank Public Company Limited	18,400,000	-	-	18,400,000

During the current period, movement in long-term loans from financial institutions (only principal) were as follow:

(Unit: Thousand Baht)

	Consolidated financial statement			
		Increase	Decrease	
Long-term loans	1 January 2016	during the period	during the period	31 March 2016
Krungthai Bank Public Company Limited	7,173,319	78,181	(10,500)	7,241,000
Bangkok Bank Public Company Limited	2,945,855	-	-	2,945,855
Total	10,119,174	78,181	(10,500)	10,186,855

(Unit: Thousand Baht)

	Separate financial statement			
		Increase	Decrease	
Long-term loans	1 January 2016	during the period	during the period	31 March 2016
Krungthai Bank Public Company Limited	7,016,633	78,181	-	7,094,814
Bangkok Bank Public Company Limited	2,945,855	-	-	2,945,855
Total	9,962,488	78,181	-	10,040,669

Directors and management benefits

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and managements as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statement
	2016	2015	2016
Short-term employee benefits	19,180	48,844	16,202
Post-employment benefits	1,794	2,206	1,683
Total	20,974	51,050	17,885

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Audited)		(Audited)
Cash	35,552	36,185	34,142	34,630
Bank deposits	1,660,967	4,447,190	1,613,735	4,424,428
Total	1,696,519	4,483,375	1,647,877	4,459,058

The Company has pledged its rights to receive deposits from bank accounts with outstanding balances as at 31 March 2016 of approximately Baht 75 million (31 December 2015: Baht 107 million) to a group of domestic lenders to secure the Company's long-term loans from the group of domestic lenders. The Company is able to withdraw these deposits for its use of regular operation.

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2016		31 December 2015	
		(Audited)		(Audited)
	Cost	Fair value	Cost	Fair value
Unit trusts	1,700,108	1,748,746	454,678	497,357

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2016		31 December 2015	
		(Audited)		(Audited)
	Cost	Fair value	Cost	Fair value
Unit trusts	1,690,303	1,738,941	437,295	479,974

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	19,633	17,120	93,593	69,292
- Unrelated parties	59,633	66,530	-	-
Less: Allowance for doubtful debts	(4,438)	(4,438)	-	-
Total trade receivables - net	74,828	79,212	93,593	69,292
<u>Other receivables</u>				
Other receivables				
- Related party (Note 3)	-	-	10,700	10,700
- Unrelated parties	2,431	2,129	2,391	2,048
Advances	863	273	13	2
Accrued income	4,395	3,014	4,394	3,015
Total other receivables	7,689	5,416	17,498	15,765
Trade and other receivables - net	82,517	84,628	111,091	85,057

Most of the trade receivables of the Company and its subsidiaries were within their credit terms. As at 31 March 2016, the outstanding balances of such receivables in the consolidated financial statements that are one year or more past due amounted to approximately Baht 5 million (31 December 2015: Baht 6 million) (The separate financial statement: Nil). The Company and its subsidiaries had assessed their net realisable value of such past due receivables and the allowance for doubtful accounts amounting to Baht 4 million was recorded in the consolidated financial statements (31 December 2015: Baht 4 million) (The separate financial statement: Nil).

(Unaudited but reviewed)

7. Investments in associates

(Unit: Million Baht)

Consolidated financial statements								
Company's name	Proportion of shareholding		Cost		Carrying amounts based on equity method		Fair values	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
	(%)	(%)		(Audited)		(Audited)		(Audited)
CK Power Public Company Limit	19.40	19.40	3,223	3,223	3,119	3,123	3,232 ⁽¹⁾	2,803 ⁽¹⁾
TTW Public Company Limited	19.45	19.57	6,976	7,018	6,756	6,714	7,761	8,198
			<u>10,199</u>	<u>10,241</u>	<u>9,875</u>	<u>9,837</u>	<u>10,993</u>	<u>11,001</u>

(Unit: Million Baht)

Separate financial statements						
Company's name	Proportion of shareholding		Cost		Fair values	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(%)	(%)		(Audited)		(Audited)
CK Power Public Company Limited	19.40	19.40	3,223	3,223	3,232 ⁽¹⁾	2,803 ⁽¹⁾
TTW Public Company Limited	19.45	19.57	4,277	4,303	7,761	8,198
			<u>7,500</u>	<u>7,526</u>	<u>10,993</u>	<u>11,001</u>

⁽¹⁾ Excluding the fair value of warrants amounting to Baht 138 million (31 December 2015: Baht 127 million).

CK Power Public Company Limited

The Company agreed to provide sponsor support to CK Power Public Company Limited, whereby it will provide financial support to a subsidiary of CK Power Public Company Limited in proportion to its shareholding, or a total of not more than Baht 154 million, should its subsidiary be unable to comply with its obligations under the Financing Documents or default on loan repayment.

As at 31 March 2016, a 3-year silent period as from the initial trading date of the shares on the SET (18 July 2013) was imposed on the 175.6 million shares of CK Power Public Company Limited held by the Company.

TTW Public Company Limited

In March 2016, the Company disposed 4.69 million ordinary shares of TTW Public Company Limited, resulted in the decrease in proportion of shareholding from 19.57% to 19.45%.

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		(Audited)
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Bangkok Metro Networks Limited	254	254	254	254	65.19	65.19	166	166
Total							2,770	2,770
Less : Allowance for impairment of investments							(2,466)	(2,466)
Cost - net							304	304

The assets of Northern Bangkok Expressway Company Limited such as deposits at banks, current investments, rights in the Bang Pa-In - Pakkret Expressway System, rights in toll revenues and beneficiary rights under insurance policies are secured against the loans from the Company. However, the subsidiary is able to make withdrawals from deposit at banks and trading of current investments for use as regular operating expenses.

The Company has pledged all share certificates of investment in Bangkok Metro Networks Limited with a group of domestic lenders to secure its long-term loans from those lenders as described in note 18 to interim financial statements.

9. Other long-term investment

(Unit: Million Baht)

Company's name	Consolidated and Separate financial statements							
	Registered capital		Paid-up capital		Proportion of shareholding		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		(Audited)
Xayaburi Power Company Limited	26,861	26,861	13,153	12,175	7.50	7.50	986	913
Total							986	913

The 121.9 million ordinary shares of Xayaburi Power Company Limited held by the Company have been pledged to secure of long-term loans of such company.

During the current period, Xayaburi Power Company Limited called up an additional 10% of the unpaid portion of 71.3 million shares held by the Company (par value of Baht 10 each), or a total of Baht 73 million. The Company already paid for such share subscription.

Subsequently in April and May 2016, Xayaburi Power Company Limited additionally called up Baht 52 million, or 7% of 71.3 million shares (par value of Baht 10 each). The Company made a payment of Baht 26 million in April 2016, and the remaining Baht 26 million is to be paid in May 2016.

10. Investment properties

The Company has pledged all investment properties as collateral against credit facilities granted by group of lenders.

11. Building and equipment

Movements of the building and equipment account during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2016	154,366	150,638
Acquisitions during the period - at cost	25,085	24,766
Disposals/write-off during the period - net book value at disposal/write-off date	(2,334)	(2,334)
Depreciation for the period	(7,294)	(6,911)
Net book value as at 31 March 2016	169,823	166,159

12. Rights to operate completed expressway sectors

Movements of the rights to operate completed expressway sectors during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2016	20,327,463	13,069,901
Amortisation for the period	(732,104)	(592,022)
Net book value as at 31 March 2016	<u>19,595,359</u>	<u>12,477,879</u>

The Company has transferred its rights in the Second Stage Expressway to secure long-term loans.

13. Rights to use sites for expressway construction

Movement of the rights to use sites for expressway construction during the three-month period ended 31 March 2016 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2016	1,320,194
Amortisation for the period	(76,624)
Net book value as at 31 March 2016	<u>1,243,570</u>

The rights to use sites for expressway construction is a part of rights to operate completed expressway sectors.

14. Intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line

Movements of the intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line account during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2016	16,987,640	16,654,148
Acquisitions during the period - at cost	364,313	361,867
Write-off during the period - net book value at write off date	(31)	-
Amortisation for the period	(104,577)	(100,877)
Net book value as at 31 March 2016	17,247,345	16,915,138

Project costs consist of M&E equipment, depot building and administration building. They will be transferred to the MRTA at the end of the concession period of 25 years, on an Acquire, Operate and Transfer basis.

The Company has pledged M&E equipment, depot building and administration building of the Project with a group of domestic lenders to secure its long-term loans from those lenders. In addition, the subsidiary has pledged part of its telecommunication equipment with the lender to secure the subsidiary's long-term loan.

15. Intangible assets

Movements of intangible assets for the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Net book value as at 1 January 2016	36,237	36,165
Acquisitions during the period - at cost	5,114	5,114
Amortisation for the period	(1,909)	(1,885)
Net book value as at 31 March 2016	39,442	39,394

(Unaudited but reviewed)

16. Short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
Interest rate			(Audited)		(Audited)
(% per annum)					
Short-term loans from financial institutions					
- Related parties (Note 3)	3.55 and MOR	18,410,000	18,410,000	18,400,000	18,400,000
- Unrelated parties	3.10 - 3.20	4,000,000	4,000,000	4,000,000	4,000,000
Total		22,410,000	22,410,000	22,400,000	22,400,000

17. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
			(Audited)		(Audited)
Trade payables - related parties (Note 3)		1,222,366	2,062,292	1,219,120	2,060,710
Trade payables - unrelated parties		631,613	378,788	615,759	359,687
Accrued interest - related parties (Note 3)		2,343	4,630	2,316	4,630
Accrued interest - unrelated parties		790	1,127	790	1,067
Accrued expenses - related parties (Note 3)		-	20,350	-	20,350
Accrued expenses - unrelated parties		77,254	102,016	62,352	89,803
Unearned revenue from advertising management rights (Note 3)		-	-	1,248	1,248
Others		11,940	10,351	944	1,464
Total trade and other payables		1,946,306	2,579,554	1,902,529	2,538,959

(Unaudited but reviewed)

18. Long-term loans from financial institutions

	Objective	Interest rate	Period of repayment	Consolidated financial statements		Separate financial statements	
				31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)
1. Tranche Gor (Fully drew down)	Refinance remaining long-term loans	4.0% p.a.	Within July 2019	74,664	74,664	74,664	74,664
2. Tranche Khor (Fully drew down)	Lending to subsidiary company to repay its long-term loans from commercial banks	4.0% p.a.	Within July 2019	9,595	9,595	9,595	9,595
3. Tranche Chor (Fully drew down)	Working capital	MLR - 2.525% and 6M FDR + 2.66875% p.a.	Within July 2019	1,000,000	1,000,000	1,000,000	1,000,000
4. Tranche Gor (the credit facilities which have not yet been drawn down: Baht 2,214 million)	For the construction of expressway system	MLR - 2.525% p.a.	Within September 2027	3,536,250	3,536,250	3,536,250	3,536,250
5. Tranche Khor (the credit facilities which have not yet been drawn down: Baht 1,636 million)	For the construction of expressway system	6M FDR + 2% p.a.	Within September 2027	2,613,750	2,613,750	2,613,750	2,613,750
6. Tranche A (Fully drew down)	For the payment of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	MLR + 0.25% p.a. (4.75% p.a. from 30 December 2015 to 31 December 2016)	Within December 2024	9,102,500	9,102,500	9,102,500	9,102,500
7. Tranche F (the credit facilities which have not yet been drawn down: Baht 294 million)	For the purchase of new rolling stock and to fund capital expenditures	MLR + 0.25% p.a. (4.75% p.a. from 30 December 2015 to 31 December 2016)	Within December 2024	1,206,000	1,006,000	1,206,000	1,006,000
8. Long-term loan (Fully drew down)	Working capital of the subsidiary	MLR p.a.	Within December 2018	146,186	156,686	-	-
Total				17,688,945	17,499,445	17,542,759	17,342,759
Less: Current portion for long-term loans				(161,500)	(118,500)	(112,500)	(75,000)
Less: Deferred financial fee				(50,206)	(51,878)	(50,206)	(51,878)
Long-term loans - net of current portion				17,477,239	17,329,067	17,380,053	17,215,881

(Unaudited but reviewed)

Detail of long-term loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Audited)		(Audited)
Long-term loans				
- Related parties (Note 3)	10,186,855	10,119,174	10,040,669	9,962,488
- Unrelated parties	7,502,090	7,380,271	7,502,090	7,380,271
Total	17,688,945	17,499,445	17,542,759	17,342,759

Movement in the long-term loans for the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Balance as at 1 January 2016	17,499,445	17,342,759
Add: Drawdown during the period	200,000	200,000
Less: Repayment of loan during the period	(10,500)	-
Balance as at 31 March 2016	17,688,945	17,542,759

Long-term loans number 1 to 5

The long-term loans are secured by assets of the Company such as land and structure thereon, rights under the Second Stage Expressway Agreement, rights in toll revenues, and beneficiary rights under insurance policies.

Under the loan agreements, the Company must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio, debt to equity ratio, shareholding proportion in a subsidiary company, dividend payment and conditions for mandatory prepayment. In this respect, the Company has the total financial expenses of Baht 4.8 million per year payable to the agents of the lenders (2015: Baht 4.8 million).

Long-term loans number 6 to 7

The loans are secured by the mortgage of M&E equipment of the project, a depot building and administration building, pledges of the Company's share certificates and the subsidiary's share certificates, and the assignment of rights and obligations under the concession agreement and the rights to receive deposits at banks.

The loan agreements include covenants imposed by the lenders concerning, among other things, the percentage shareholdings of the principal shareholders, changes in the Company's management, entering into other loan agreements, entering into any new business or activity which is not related to the Project, the maintenance of certain financial ratios.

Long-term loan number 8

The long-term loan from financial institution of the subsidiary is secured by pledges of the subsidiary's share certificates which are held by shareholders other than the Company and the transfer of rights to receive revenue from telecommunication customers, revenue from the Passenger Information Display business (PID), revenue from the Platform Screen Door advertising, and revenue from Digital Media and the pledge of some of the telecommunication equipment to the lender.

The loan agreement includes covenants imposed by the lender concerning, among other things, the percentage shareholding of the principal shareholders, repayment of loans and amounts payable to related companies and/or group companies, dividend payment and the maintenance of certain financial ratios.

In April 2016, the Company signed a credit agreement with a commercial bank, granting facilities of Baht 8,000 million, for which the Company entered into an interest rate swap contract to change the interest rate from a floating rate of THBFIX + 1.15% per annum to a fixed rate of 3.18% per annum, which are to be repaid within 5 years from the draw down date. However, the Company has not yet drawn down these facilities.

(Unaudited but reviewed)

19. Provision for compensation for site acquisition cost

Movement in provision for compensation for site acquisition cost account for the three-month period ended 31 March 2016 is summarised below.

	(Unit: Thousand Baht) Consolidated and Separate financial statements
Balance as at 1 January 2016	5,566,672
Payment during the period	(750,000)
Interest cost	62,620
Balance as at 31 March 2016	4,879,292
Less: Current portion of provision	(1,500,000)
Provision for compensation for site acquisition cost - net of current portion	3,379,292

20. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the three-month period ended 31 March 2016 in the separate financial statement is summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2016	16,859
Less: Recognise to revenue during the period	(313)
Balance as at 31 March 2016	16,546
Less: Current portion	(1,248)
Unearned revenue from advertising management rights - net of current portion	15,298

21. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account, which is compensations on employees' retirement, for the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Balance as at 1 January 2016	237,842	230,181
Increase during the period	10,070	9,536
Utilised	(1,512)	(1,512)
Balance as at 31 March 2016	246,400	238,205

22 Income taxes

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)		
	Consolidated		Separate
	financial statements		financial statement
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Current income tax:			
Interim corporate income tax charge	63,326	53,388	52,137
Deferred tax:			
Relating to origination and reversal of temporary differences	98,175	107,436	98,858
Tax expenses reported in the income statement	<u>161,501</u>	<u>160,824</u>	<u>150,995</u>

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Earnings per share are calculated as below:

	For the three-month periods ended 31 March		
	Consolidated		Separate
	financial statements		financial statement
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Profit for the period (Thousand Baht)	702,099	577,749	584,489
Weighted average number of			
ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000
Earnings per share (Baht/share)	0.05	0.04	0.04

For comparative purposes, basic earnings per share in consolidated financial statement for the three-month period ended 31 March 2015 was calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue for the three-month period ended 31 March 2016, which is the number of ordinary shares held by outside shareholders after amalgamation.

(Unaudited but reviewed)

24. Segment information

Operating segment information is reported in a manner consistent with the reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assets its performance.

Revenues and profit information regarding operation segments of the Company and its subsidiaries for the three-month periods ended 31 March 2016 and 2015 are as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Construction and management of expressway system		The MRTA Initial System Project segment		Commercial Development business segment ¹⁾		Other segments		Total Segment		Elimination of inter-segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue from external customers	2,278	2,196	615	589	132	137	1	11	3,026	2,933	-	-	3,026	2,933
Inter-segment revenues	-	-	-	-	65	58	30	15	95	73	(95)	(73)	-	-
Total revenues	<u>2,278</u>	<u>2,196</u>	<u>615</u>	<u>589</u>	<u>197</u>	<u>195</u>	<u>31</u>	<u>26</u>	<u>3,121</u>	<u>3,006</u>	<u>(95)</u>	<u>(73)</u>	<u>3,026</u>	<u>2,933</u>
Segment income	1,129	1,074	44	50	76	74	1	11	1,250	1,209	-	-	1,250	1,209
Unallocated income and expenses:														
Interest income													16	6
Other income													17	28
Share of profit from investments in associates													93	122
Selling expenses													(16)	(17)
Administrative expenses													(217)	(236)
Finance cost													(279)	(355)
Income tax expense													(162)	(161)
Non-controlling interests of the subsidiaries													-	(18)
Profit for the period													702	578

¹⁾ The Commercial development business segment includes the rental of retail space, and the provision of advertising media services and telecommunication services in underground train stations and expressways.

25. Commitments and contingent liabilities

25.1 Capital commitment

As at 31 March 2016, the Company had capital commitments of Baht 2,086 million (31 December 2015: Baht 3,660 million) relating to the management of the Si Rat - Outer Ring Road Expressway Project, Baht 121 million (31 December 2015: Baht 78 million) relating to the acquisition of equipment, Baht 22 million and US Dollar 4 million (31 December 2015: Baht 24 million and US Dollar 4 million) relating to the upgrade of farebox collection systems and Baht 3 million (31 December 2015: Baht 3 million) relating to the renovation of server room at administration building.

25.2 Long-term service commitments

The Company has commitments in respect of the Procurement of M&E equipment contract, and the Maintenance of M&E equipment and trackwork and infrastructure and civil works contracts of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and the MRT Purple Line Project which were signed in December 2001, November 2013 and November 2015 with three companies. These contracts will expire during 2019 until 2024.

Future minimum service fees payable under these contracts, excluding escalation in accordance with the general consumer price index are as follows:

(Unit: Million)

	The MRTA Initial System Project - Chaloem Ratchamongkhon Line				The MRT Purple Line Project							
	31 March 2016		31 December 2015		31 March 2016				31 December 2015			
			(Audited)						(Audited)			
	Baht	EUR	Baht	EUR	Baht	EUR	SGD	YEN	Baht	EUR	SGD	YEN
<u>Payable within</u>												
In up to 1 year	225	1	509	4	126	-	1	253	167	-	1	158
In over 1 year and up to 5 years	1,812	10	2,335	12	1,537	1	5	1,518	2,357	1	5	1,518
In over 5 years	1,004	7	1,693	7	1,008	1	7	2,024	1,667	1	7	2,119

25.3 Commitments under various service agreements

The Company and its subsidiaries have commitments under various service agreements. Future minimum service fees payable are as follows:

	(Unit: Million Baht)	
	31 March 2016	31 December 2015
		(Audited)
<u>Payable within</u>		
In up to 1 year	248	95
In over 1 year and up to 4 years	162	68

25.4 Operating lease commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space, equipment and motor vehicles. The terms of the agreements are generally between 2 and 5 years.

Future minimum lease payments required under these operating lease agreements were as follows:

	(Unit: Million Baht)	
	31 March 2016	31 December 2015
		(Audited)
<u>Payable within</u>		
In up to 1 year	12	11
In over 1 year and up to 5 years	18	15

25.5 Guarantees

There were the following outstanding performance bonds and bank guarantees issued by banks on behalf of the Company.

	(Unit: Million Baht)	
	31 March 2016	31 December 2015
		(Audited)
- Issued to the MRTA as required under the operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	150	150
- Issued to the Metropolitan Electricity Authority of The MRTA Initial System Project - Chaloem Ratchamongkhon Line	37	37
The MRT Purple Line Project	30	30

(Unaudited but reviewed)

	(Unit: Million Baht)	
	31 March 2016	31 December 2015
		(Audited)
- Issued to the MRTA in accordance with phase I of the Agreement for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlomg Bang Phai Station - Tao Poon Station), using the credit line of a related party	700	700
- Issued to the MRTA as part of the proposal to invest in the Supply of M&E systems and O&M services for the MRT Purple Line Project, Tao Poon to Bang Sue Section.	31	31
- Issued to the EXAT in according to concession agreement in respect of the investment, design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project	500	500
- Other guarantees	12	12

25.6 Other commitments

	(Unit: Million Baht)	
	31 March 2016	31 December 2015
		(Audited)
- Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
Xayaburi Power Company Limited	1,028	1,101
- Commitment in respect of undertaking to provide financial support to CK Power Public Company Limited (as detailed in Note 7)	154	154
- Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	16	21

26. The disputes with Expressway Authority of Thailand (EXAT)

The Company and the subsidiary had a total of 12 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, divided into the disputes that the Company and the subsidiary referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 1,590.9 million. The essence of each dispute was as follows:

26.1 Disputes submitted by the Company and the subsidiary claiming for damages

26.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component should be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT just commenced sharing the toll revenue with the Company on 2 September 1993, thereby rendering the Company to lose such revenue which should have been received under the Agreement.

EXAT and the Company had different opinions as to which date was the Priority Component Opening Date, from which EXAT was obliged under the Agreement to commence sharing the toll revenue with the Company onwards.

On 9 July 2001, the Company then referred such dispute to the Arbitral Tribunal requesting an arbitral award requiring EXAT to compensate for the deficient revenue plus interest until the date of submission of the dispute in the amount of Baht 3,831.4 million. In this respect, EXAT raised an objection and counterclaimed in the total amount of Baht 15,575.4 million.

On 15 December 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 million, calculated for interest up to 30 June 2001, amounting to Baht 1,856.8 million, totaling Baht 3,831.4 million, including the interest from 1 July 2001 onwards until the payment would be made in full to the Company, and dismissed EXAT's counterclaim requiring the Company to compensate for such toll revenue in the amount of Baht 15,575.4 million. In this regard, EXAT subsequently issued a letter refusing to comply with the arbitral award.

On 20 April 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award or order refusing to enforce compliance with the arbitral award, and on 19 October 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 million.

On 13 September 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company's petition by requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 million, with interest under the Agreement calculated from 13 November 1992 up to 30 June 2001, amounting to Baht 1,856.8 million, including the interest calculated from 1 July 2001 up to the date on which the Company submitted the petition to the Court, 19 October 2011, amounting to Baht 1,189.7 million, thereby bringing a total of the toll revenue sharing together with interest to Baht 5,021.1 million, to the Company, as well as requiring EXAT to pay the default interest on the principal until the payment would be made, together with interest, in full to the Company, whereby EXAT shall make such payment in full within 60 days from the date on which the case is final.

On 11 October 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's consideration.

26.1.2 Competing road with the Udon Ratthaya Expressway

The Agreement specified that during the term of the Agreement, should EXAT or the Government put into effect any arrangements for the construction or substantial improvement of any road or highway of an expressway standard within the primary catchment area of the Expressway, which has the effect of reducing the actual volume of traffic using the Expressway or the revenue arising therefrom from the projections, EXAT shall compensate the subsidiary for such effect.

Given that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, the subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer's letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to the Arbitral Tribunal for an arbitral award requiring EXAT to compensate for the deficient revenue, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 million.

On 27 November 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue from the projection to the subsidiary for the year 1999 in the amount of Baht 730.8 million, with interest from 14 June 2000 onwards, until the payment would be made in full, and for the year 2000 in the amount of Baht 1,059.2 million, with interest from 22 March 2001 onwards, until the payment would be made in full.

Subsequently, EXAT issued a letter to the subsidiary, confirming that the arbitral award was illegitimate; and the enforcement of such arbitral award was considered a violation to the public order and good moral of the people, EXAT was thus unable to comply with such arbitral award.

On 3 March 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On 1 September 2011, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 3,296.7 million.

On 3 May 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and the Central Administrative Court also issued a judgment to enforce compliance with the arbitral award, thereby requiring EXAT to compensate for revenue reduced from the projection to the subsidiary for the year 1999 in the amount of Baht 730.8 million and for the year 2000 in the amount of Baht 1,059.2 million together with interest until the said payment would be made in full.

On 31 May 2013, EXAT lodged an appeal against the Central Administrative Court's judgment in both cases with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's consideration.

26.1.3 Issuance of variation orders by EXAT

EXAT issued additional variation orders for certain construction work of the Si Rat Expressway and confirmed that EXAT would be responsible for such costs as actually incurred by such variation orders. The Independent Certification Engineer subsequently issued a letter certifying the additional costs in the total amount of Baht 209.1 million (excluding interest). EXAT refused to make such payment as certified by the Independent Certification Engineer.

On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by EXAT's issuance of three variation orders.

On 20 December 2013, the Arbitral Tribunal unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per such variation orders in the total amount of the principal with interest of Baht 382.5 million, including the interest on the principal in the amount of Baht 209.1 million, calculated from the day following the date of submission of the statement of claim until the said payment would be made in full to the Company.

On 17 January 2014, the Company issued a letter to EXAT requiring compliance with the arbitral award. On 4 February 2014, EXAT issued a letter refusing to comply with the arbitral award because the arbitral award was illegitimate.

On 26 March 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

At present, it is pending the Central Administrative Court's consideration.

26.1.4 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 14 May 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement. Subsequently, on 27 March 2009, the Company submitted a petition for amendment to the statement of claim in respect of the figures of the toll rates for 2003 based on the Ministry of Interior Notification dated 23 October 1998 in accordance with the decision of the Supreme Court under the Supreme Court Judgment No. 11102/2551, thereby changing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to the total amount of Baht 4,368 million.

On 12 February 2016, the Arbitral Tribunal, by the majority of votes, rendered its arbitral award requiring EXAT to compensate the Company for damages, together with interest, in the amount of Baht 4,368 million, including interest under Clause 25.6 of the Agreement on the principal of the damages in the amount of Baht 3,776.1 million, calculated on a daily basis from 1 April 2008 onwards until EXAT would make such payment in full and compensate the Company for damages as difference between the toll rates under the Ministry of Transport Notification dated 29 August 2003 and the valid toll rates under the Agreement, calculated on a daily basis based on the number of each type of cars using the urban and suburban networks of the Second Stage Expressway System from 1 April 2008 onwards, as well as default interest from 1 April 2008 onwards until EXAT would compensate the Company for such damages, together with interest.

On 14 March 2016, the Company issued a letter to EXAT requiring compliance with the arbitral award. EXAT then issued a letter to the Company notifying that the arbitral award was illegitimate, EXAT therefore could not comply with such arbitral award.

26.1.5 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 24 July 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 million.

The Company cited a total of three witnesses to testify before the Arbitral Tribunal.

On 2 March 2016, EXAT cited one witness to testify before the Arbitral Tribunal.

At present, it is in the process of the witness examination of EXAT, which was scheduled to be held on 13 May 2016.

26.1.6 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 13 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 9,091.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 7,909.6 million calculated from 1 June 2013 onwards until EXAT would compensate the Company for such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

The Company cited a total of four witnesses to testify before the Arbitral Tribunal, and then stated that there was no witness to testify.

EXAT submitted a petition requesting postponement of the hearing dates for its witness examination to be held on 1, 5, 20 and 28 April 2016, as it is pending EXAT's proposing the matter to its Board for consideration on any justifiable doubt as to impartiality and independence of the Chairman of the Arbitral Tribunal and the Company's arbitrator. The Arbitral Tribunal had considered the matter and ordered granting permission to cancel all four hearing dates for witness examination. In this regard, the Chairman of the Arbitral Tribunal stated that he withdrew from serving as the Chairman of the Arbitral Tribunal in this dispute, as he was engaged in various businesses. At present, it is pending the Thai Arbitration Institute scheduling of a meeting for selection of candidates for appointment as a new Chairman of the Arbitral Tribunal.

26.1.7 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 28 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 4,062.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 3,557.8 million from 1 June 2013 onwards until EXAT would compensate the Company for the principal of such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

On 16 June 2014, the Company submitted a letter of appointment of its arbitrator. On 10 July 2015, EXAT submitted a letter of appointment of its arbitrator to the Thai Arbitration Institute.

On 20 January 2016, the Company submitted a petition requesting addition of the number of its arbitrators from three to five arbitrators. The Thai Arbitration Institute had considered the matter and ordered granting such permission, and should EXAT would object to such petition, EXAT would be required to submit the objection to the Thai Arbitration Institute.

At present, it is pending EXAT's notification of its intention to object to the Company's petition requesting addition of the number of its arbitrators, which it was scheduled for 25 May 2016.

26.1.8 Revision of toll rates of Udon Rattaya Expressway for the year 2003

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the subsidiary had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the subsidiary.

On 22 October 2013, the subsidiary submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the subsidiary for damages, together with interest, in the total amount of Baht 908.7 million, and interest shall be calculated on a daily basis on the principal of the damages in the amount of Baht 561.9 million from the day following the date of submission of the statement of claim until EXAT would compensate the subsidiary for the principal of such damages, together with interest in full.

On 23 June 2014, the subsidiary submitted a letter of appointment of its arbitrator. On 25 June 2015, EXAT submitted a letter of appointment of its arbitrator to the Thai Arbitration Institute.

On 20 January 2016, the subsidiary submitted a petition requesting addition of the number of its arbitrators from three to five arbitrators. The Thai Arbitration Institute had considered the matter and ordered granting such permission, and should EXAT would object to such petition, EXAT would be required to submit the objection to the Thai Arbitration Institute.

At present, it is pending EXAT's notification of its intention to object to the subsidiary's petition requesting addition of the number of its arbitrators, which it was scheduled for 17 May 2016.

26.2 Disputes submitted by EXAT claiming for damages

26.2.1 Construction of the Udon Ratthaya Expressway, Phase 2

On 29 January 2016, EXAT submitted a statement of claim to the Thai Arbitration Institute requiring the subsidiary to complete the construction of the Udon Ratthaya Expressway, Phase 2, in accordance with Clause 8.5 a. of the conditions of the Agreement, and compensate for the amount of Baht 1,587.7 million, together with interest on the principal under the Agreement in the amount of Baht 1,448.9 million, calculated on a daily basis from 30 January 2016 onwards until the payment would be made in full.

At present, it is pending the subsidiary's submission of a statement of defense to the Thai Arbitration Institute.

26.2.2 Other disputes

EXAT referred a total of three disputes to the Arbitral Tribunal requiring the Company and its subsidiary to be held liable for costs, in the total amount of Baht 3 million, which the Company and its subsidiary were of the view that such costs claimed by EXAT were not within their scope of responsibility under the Agreements. In this regard, the Arbitral Tribunal rendered its arbitral awards on two disputes, two disputes of which were referred by EXAT to the Administrative Court for enforcement of the arbitral awards and revocation of the arbitral awards.

Since the disputes are considering, the Company and the subsidiary therefore did not record such entries in the financial statements.

27. Fair value hierarchy

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2016, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statement				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,748,746	-	1,748,746

(Unit: Thousand Baht)				
Separate financial statement				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,738,491	-	1,738,491

Valuation techniques and inputs to Level 2 valuations

The fair value of investments in unit trust has been determined from their net asset value as announced by Asset Management Company.

28. Event after the reporting period

On 5 April 2016, the Annual General Meeting of the Company's shareholders passed a resolutions to approve a dividend payment of Baht 0.07 per share for a total of Baht 1,070 million. The dividend payment is paid on 29 April 2016 which will be recorded in the second quarter of this year.

29. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2016.